

A. Purpose, Background and Description of Services

1. Purpose

The California Department of Health Services (DHS), Third Party Liability Branch (TPLB), is soliciting proposals from firms to administer the Medi-Cal Other Health Coverage Identification and Recovery (OHCIR) project. This Request for Proposal (RFP) solicits proposals for the start-up, operation, and eventual turnover of the Medi-Cal OHCIR project. DHS is seeking a contractor that will aggressively pursue identification of other health coverage (OHC) and the collection of outstanding obligations to the State. The purpose of this procurement is to secure a qualified and responsible Contractor to ensure effective and efficient identification and recovery of Medi-Cal fee-for-service (FFS) payments from Medi-Cal beneficiaries' OHC entitlements at a reasonable and fair contract price.

All compensation to the Contractor shall be based solely upon a bid percentage of actual recoveries made.

The Contractor shall be responsible for identifying and verifying OHC belonging to Medi-Cal beneficiaries, and for the post-payment recovery of outstanding accounts receivable billed to the OHC carrier for services rendered to Medi-Cal beneficiaries. The Contractor shall also be responsible for the reporting of all identified OHC to DHS for cost avoidance purposes. The Contractor shall guarantee their compliance with the Health Insurance Portability and Accountability Act (HIPAA). The Contractor shall identify and recover inappropriately adjudicated Medi-Cal claims when Medicare coverage is applicable. In addition, the Contractor shall be responsible for the electronic billing of claims to OHC carriers, pharmaceutical claims processors, and emergency service claims to health maintenance organizations (HMOs)/prepaid health plans (PHPs) previously identified by the State.

The TPLB intends to make a single contract award to the most responsive and responsible firm earning the highest score. This procurement is open to all eligible firms and/or individuals that meet the qualification requirements, including commercial businesses, nonprofit organizations, State or public universities (including auxiliary organizations), and other entities.

2. Background

In July 1965, the Social Security Act was amended by Title XIX, which established the state-option Medicaid Program, known in California as Medi-Cal. The Medi-Cal program became effective in March 1966. A wide range of health benefits are now being provided through Medi-Cal to individuals whose income and resources are insufficient to meet the costs of necessary medical services without jeopardizing self-maintenance and security. Medi-Cal is funded primarily by federal and State funds, and provides health care services to over six million beneficiaries at an annual cost in excess of \$26 billion. It is one of the largest Medicaid programs in the nation.

The Medi-Cal program will continue to be modified due to changing federal and State legislation and other efforts to enhance the program. Proposers should be aware that the responsibility of the Contractor would include the planned and orderly adherence to all applicable provisions of federal and State legislation and regulations, and any changes to these provisions, as they may occur, throughout the term of the contract.

3. Description of Services - Other Health Coverage Cost Avoidance and Recovery

The DHS, through TPLB, is responsible for identifying Medi-Cal beneficiaries with OHC, as provided for by the Welfare & Institutions (W&I) Code, Sections 14023, 14024, 14100.2,

14124.89, and 14124.90. Since Medi-Cal is a public assistance program, a Medi-Cal beneficiary is required to report, and in most cases use, OHC before using Medi-Cal. Identification and collection of this resource provides an offset to State funding and helps extend the availability of tax dollars. In instances where the Medi-Cal Program has paid first, the law requires the program to seek reimbursement from the responsible OHC. With few exceptions, Medi-Cal is the payer of last resort.

California uses a combined cost avoidance and recovery approach when utilizing the health coverage of FFS Medi-Cal beneficiaries. Under the cost avoidance process, Medi-Cal does not pay for services that are a legal liability of the OHC. This approach is accomplished by coding the beneficiary's Medi-Cal record to identify OHC and the benefits of the policy. The code requires medical providers, whenever possible, to utilize the health coverage carrier's benefits before billing Medi-Cal. Under the recovery approach, DHS submits claims to the OHC carrier for services already paid. DHS' current utilization program saves nearly \$3.5 billion a year, approximately \$3.3 billion in cost avoidance and \$186 million in recovery (as measured by the DHS claims processing system) in the FFS program.

In the Medi-Cal Managed Care program, the State and the managed care plans are responsible for the identification of OHC. However, the managed care plans are responsible for utilization of OHC. Although the Contractor may identify OHC belonging to Medi-Cal beneficiaries enrolled in managed care plans, the Contractor may only perform recovery activities for the beneficiaries' FFS claims under the scope of this contract. This RFP and resulting contract would not preclude the Contractor from entering into separate contracts and/or agreements with the individual managed care plans to perform OHC identification and recovery activities.

A gap remains between potential and actual OHC identification and utilization. Although it is anticipated that the rate of OHC identification will increase as a result of the Medi-Cal OHCIR project activities, it is important to note that the DHS' TPLB aggressively pursues the identification of OHC. TPLB receives approximately 13,000 OHC completed questionnaires each month from county agencies and the Social Security Administration. TPLB sends OHC questionnaires to Medi-Cal eligibles to gather additional information regarding potential OHC. This results in approximately 2,500 new OHC identifications each month. DHS currently contracts with several health coverage carriers for the purpose of conducting data matches to identify OHC belonging to Medi-Cal beneficiaries. In addition, DHS has employed private contractors to pursue the identification of OHC belonging to Medi-Cal beneficiaries.

B. Time Schedule

Below is the tentative time schedule for this procurement:

Event	Date	Time (If applicable)
RFP Released	12/30/02	
Data Library Opens	12/30/02	
Questions Due	1/6/03	4:00 p.m.
Pre-Proposal Conference	1/10/03	10:00 a.m.
Letter of Intent	1/14/03	4:00 p.m.
Proposal Due Date	2/21/03	4:00 p.m.
Notice of Intent to Award Posted	4/25/03	
Protest Deadline	5/1/03	5:00 p.m.
Contract Award Date	5/2/03	
Proposed Start Date of Agreement	6/1/03	

C. Contract Term

The term of the resulting agreement is expected to be thirty-six (36) months and is anticipated to be effective from June 1, 2003 through May 31, 2006. The agreement term may change if DHS makes a selection earlier than expected or if DHS cannot execute the agreement in a timely manner due to unforeseen delays.

The resulting contract will be of no force or effect until it is signed by both parties and approved by the Department of General Services (DGS), if required. The Contractor is hereby advised not to commence performance until all approvals have been obtained. Should performance commence before all approvals are obtained, said services may be considered volunteered if all approvals have not been obtained.

D. Proposer Questions

Immediately notify DHS if you need clarification about the services sought or have questions about the RFP instructions or requirements. Put your inquiry in writing and transmit it to DHS as instructed below. At its discretion, DHS reserves the right to contact an inquirer to seek clarification of any inquiry received.

Proposers that fail to report a known or suspected problem with the RFP or fail to seek clarification and/or correction of the RFP shall submit a proposal at his/her own risk.

If an inquiry appears to be unique to a single firm or is marked "Confidential", DHS will mail or fax a response only to the inquirer if DHS concurs with the Proposer's claim that the inquiry is sensitive or proprietary in nature. If DHS does not concur, the inquiry will be answered in the manner described herein and the Proposer will be so notified. Inquiries and/or responses that DHS agrees should be held in confidence shall be held in confidence only until the Notice of Intent to Award is posted.

1. What to include in an inquiry

- a. Your name, your title, name of your firm, mailing addresses, area code and telephone number, and fax number.
- b. A description of the subject or issue in question or discrepancy found.
- c. RFP section, page number or other information useful in identifying the specific problem or issue in question.
- d. Remedy sought, if any.

A proposer that desires clarification about specific RFP requirements and/or whose inquiry relates to sensitive issues or proprietary aspects of a proposal may submit individual inquiries that are marked "Confidential". The Proposer must include with its inquiry an explanation as to why it believes questions marked "Confidential" are sensitive or surround a proprietary issue.

2. Question deadline

Submit written inquiries no later than **4:00 p.m. on January 6, 2003**

The DHS will accept inquiries about the following issues up to the proposal submission deadline:

- a. DVBE participation requirements and how to complete the DVBE attachments,
- b. The reporting of RFP errors or irregularities.

Proposers are encouraged to submit written inquiries about this RFP to DHS no later than two (2) working days before the Pre-Proposal Conference date so answers can be prepared in advance. DHS will accept written or faxed inquiries received by **4:00 p.m. on January 8, 2003**. At its discretion, DHS may contact an inquirer to seek clarification of any inquiry received.

3. How to submit questions

Submit inquiries using one of the following methods.

U.S. Mail, Hand Delivery or Overnight Express:	Fax:
Questions RFP 02-26025 Department of Health Services Office of Medi-Cal Procurement Attention: Jesse Tanguileg 600 North 10 th Street, Room 240-C P.O. Box 942732 Sacramento, CA 94234-7320	Questions RFP 02-26025 Department of Health Services Office of Medi-Cal Procurement Attention: Jesse Tanguileg Fax: (916) 323-7456

Proposers submitting inquiries by fax are responsible for confirming the receipt of all faxed materials by the question deadline. Call Jesse Tanguileg, at (916) 323-7406 to confirm faxed transmissions.

Proposer Warning

The DHS' internal processing of U.S. mail may add up to 48 hours to the delivery time. If you mail your questions, consider using certified or express mail and request a receipt confirming

delivery date and time. If you choose hand delivery, allow sufficient time to locate parking and sign-in at the security desk.

For driving and parking instructions, see Appendix 1.

4. Verbal questions

Verbal inquiries are discouraged. DHS reserves the right not to accept or respond to verbal inquiries. **Spontaneous verbal remarks provided in response to verbal inquiries are unofficial and are not binding on DHS unless later confirmed in writing.**

Direct all verbal requests for DVBE assistance to DHS' DVBE Coordinator at (916) 324-0140 up to the proposal deadline.

E. Data Library

A Data Library for the sole use of Proposers will be established on **December 30, 2002**. The Data Library is not available online, but will be accessible **by appointment** on State working days Monday through Friday from 8:00 a.m. to noon and from 1:00 p.m. to 4:00 p.m. Your organization must have a complete signed set of authorization documents on file with the Office of Medi-Cal Procurement. All authorization documents (available upon request) shall be signed by the same company official and include:

Data Library Confidentiality Agreement; and
List of Authorized Personnel

Access to the Data Library is restricted to authorized Proposers and/or their authorized representatives who have established an advance appointment through the process described below.

1. Location

DHS will maintain the data library at the following location:

Department of Health Services
Office of Medi-Cal Procurement
600 North Tenth Street, Room 240C
Sacramento, CA 95814

For driving and parking instructions, See Appendix 1.

2. Appointments

Appointments to access the Data Library may be arranged by contacting DHS by mail, fax or telephone. Include the following information in your appointment request:

- a. Name
- b. Title
- c. Firm you represent
- d. Telephone number and area code
- e. Fax number and area code
- f. Email address, if applicable
- g. Desired date of visit (please also include alternate dates)
- h. Desired time of visit

U.S. Mail, Hand Delivery or Overnight Express:**Fax:****Questions RFP 02-26025**

Department of Health Services
Office of Medi-Cal Procurement
Attention: Jesse Tanguileg
600 North 10th Street, Room 240-C
P.O. Box 942732
Sacramento, CA 94234-7320

Questions RFP 02-26025

Department of Health Services
Office of Medi-Cal Procurement
Attention: Jesse Tanguileg

Fax: (916) 323-7456

Proposer Warning

DHS' internal processing of U.S. mail may add up to 48 hours to the delivery time. If you mail your questions, consider using certified or express mail and request a receipt confirming delivery date and time. If you choose hand delivery, allow sufficient time to locate parking and sign-in at the security desk.

For driving and parking instructions, see Appendix 1.

3. Contents

The Data Library contains various documentation and information that Proposers may find beneficial in the preparation of their proposal responses. Examples of Data Library materials include:

- a. Report examples, prior contracts
- b. Form samples and documents

4. Obtaining copies of library materials

Proposers who wish to obtain reproduced copies of Data Library materials may do so by contacting Jesse Tanguileg at (916) 323-7406.

The DHS will fulfill all requests for reproduced copies of Data Library materials as promptly as possible.

DHS may assess a photocopying fee at a rate of ten cents per page. Applicable fees are to cover the cost of reproducing, mailing, and delivery costs. A check made payable to DHS will be required before materials are reproduced, mailed, or released.

F. Pre-Proposal Conference

DHS will conduct a voluntary Pre-Proposal Conference on January 10, 2003 beginning at 10:00 a.m. and ending no later than 12:00 p.m. at the following location:

Department of Social Services
744 P Street, 1st Floor Auditorium, Room. 102
Sacramento, CA 95814

Prospective Proposers that intend to submit a proposal are encouraged to attend the voluntary Pre-Proposal Conference. It shall be each prospective proposer's responsibility to attend the Pre-Proposal Conference promptly at 10:00 a.m. DHS reserves the right not to repeat information for participants that join the conference after it has begun.

If a potential prime contractor is unable to attend the voluntary Pre-Proposal Conference, an authorized representative of its choice may attend on its behalf. The representative may only sign-in for one potential prime Contractor. Subcontractors may represent a potential prime Contractor at the voluntary Pre-Proposal Conference.

The voluntary Pre-Proposal Conference is a public event or meeting and anyone can attend.

The purpose of the conference is to:

1. Allow prospective Proposers to ask questions about the services sought or RFP requirements and/or instructions.
2. Share the answers to general questions and inquiries received before and during the conference.

Spontaneous verbal remarks provided in response to questions/inquiries are unofficial and are not binding on DHS unless later confirmed in writing.

Carefully review this RFP before the conference date to familiarize yourself with the qualification requirements, Scope of Work and proposal content requirements. Copies of this RFP may not be available at the conference site. **Prospective Proposers are encouraged to have their copy of this RFP available for viewing during conference.**

Refer to the RFP section entitled, "Proposer Questions" for instructions on how to submit written questions and inquiries before the conference date.

If DHS is unable to respond to all inquiries received before and/or during the conference, DHS will provide written answers shortly thereafter. DHS reserves the right to determine which inquiries will be answered during the conference and which will be answered later in writing.

After the conference, DHS will summarize all general questions and issues raised before and during the conference and mail or fax the summary and responses to all persons who received this RFP and to those who attended/participated in the conference. If an inquiry appears to be unique to a single firm or is marked "Confidential", DHS will mail or fax a response only to the inquirer if DHS concurs with the Proposer's claim that the inquiry is sensitive or proprietary in nature. If DHS does not concur, the inquiry will be answered in the manner described herein and the Proposer will be so notified. Inquiries and/or responses that DHS agrees should be held in confidence shall be held in confidence only until the Notice of Intent to Award is posted.

To the extent practical, inquiries shall remain as submitted. However, DHS may consolidate and/or paraphrase similar or related inquiries

Proposers are responsible for their costs to attend/participate in the conference. Those costs cannot be charged to DHS or included in any cost element of the Proposer's price offering.

For driving directions and parking instructions for the Pre-Proposal Conference, See Appendix 3.

G. Reasonable Accommodations

Upon request, DHS will provide reasonable accommodation to a prospective Proposer with a physical impairment who needs assistance to participate/attend the Pre-Proposal Conference. Call Jesse Tanguileg at (916) 323-7406 no later than **January 3, 2003** to arrange for reasonable accommodations.

H. Mandatory Letter of Intent

1. General information

Prospective Proposers who intend to submit a proposal are **required** to indicate their intention to submit a proposal. Failure to submit the mandatory Letter of Intent will result in proposal rejection. The "Mandatory" Letter of Intent is not binding and prospective Proposers are not required to submit a proposal merely because a Letter of Intent is submitted. **Use the Letter of Intent (Attachment 14) for this purpose.**

2. Submitting a Letter of Intent

Regardless of delivery method, the Mandatory Letter of Intent must be received by **4:00 p.m. on January 14, 2003.**

Submit the Letter of Intent using one of the following methods.

**U.S. Mail, Hand Delivery or
Overnight Express:**

Letter of Intent RFP 02-26025
Department of Health Services
Office of Medi-Cal Procurement
Attention: Jesse Tanguileg
600 North 10th Street, Room 240-C
P.O. Box 942732
Sacramento, CA 94234-7320

Fax:

Letter of Intent RFP 02-26025
Department of Health Services
Office of Medi-Cal Procurement
Medi-Cal OHCIR Project
Attention: Jesse Tanguileg

Fax: (916) 323-7456

Proposers transmitting a Letter of Intent by fax are responsible for confirming the receipt of the faxed Letter of Intent by the stated deadline.

Call the Office of Medi-Cal Procurement at (916) 323-7406 to confirm faxed transmissions.

Proposer Warning

The DHS' internal processing of U.S. mail may add up to 48 hours to the delivery time. If you mail the Letter of Intent, consider using certified or express mail and request a receipt confirming delivery date and time. If you choose hand delivery, allow sufficient time to locate parking and sign-in at the security desk. For driving and parking instructions, see Appendix 1.

I. Scope of Work

See Exhibit A entitled "Scope of Work" that is included in the Sample Contract Forms and Exhibits section of this RFP. Exhibit A contains a detailed description of the services and work to be performed as a result of this procurement.

J. Qualifications Requirements

Failure to meet the following requirements by the proposal submission deadline will be grounds for DHS to deem a Proposer non-responsive. Evaluators may choose not to thoroughly review or score proposals that fail to meet these requirements. In submitting a proposal, each Proposer must certify and prove that it possesses the following qualification requirements.

1. At least three (3) consecutive year's worth of relevant experience consistent with the Scope of Work in this RFP that demonstrates the Proposer's ability to perform the work. This experience must be of the type(s) listed below, and can consist of a combination of work experience of either the Proposer, a Parent Corporation of the Proposer, relevant work experience of the management team as defined in the Proposer Capability Section, or relevant work experience of a subcontractor. All experience must have occurred within the past five (5) years. If the prior experience and demonstrated ability requirements are to be met by the experience of subcontractors, documentation of the subcontractors' experience and ability must be formally submitted and accepted as part of the Proposer's technical proposal. Consideration will be given to the start-up, development, modification, and/or operation of any recovery program with particular emphasis placed on:
 - a. Involving health coverage identification and recovery programs, which shall include billing and recovery of pharmaceutical and emergency service claims.
 - b. Involving the start up of an existing Medicaid or Medicare health coverage identification and recovery system.
 - c. Designing, developing, installing, operating and modifying a health coverage identification and recovery system.
 - d. In starting up, designing, developing, installing, modifying, and/or operating any other data processing or health insurer system.
2. Proposers must self-certify that they have read and are willing to comply with all proposed terms and conditions addressed in the RFP section entitled, "Contract Terms and Conditions", including the terms appearing in the referenced contract exhibits and attachments.
3. Corporations must certify they are in good standing and qualified to conduct business in California.
4. Non-profit organizations must certify they are eligible to claim non-profit status.
5. Proposers must certify that they have a past record of sound business integrity and a history of being responsive to past contractual obligations.
6. Proposers must certify that they are financially stable and solvent and have adequate cash reserves to meet all financial obligations while awaiting reimbursement from the State.
7. Proposers must either achieve actual Disabled Veteran Business Enterprise (DVBE) participation or make an adequate Good Faith Effort (GFE) to meet the DVBE participation requirements. Detailed requirements are outlined in Attachment 8 (DVBE Instructions/Forms).
8. The winning Proposer must supply, before contract execution, proof of liability insurance that meets the requirements of Exhibit E, Provisions 3 and 4.
9. Proposers must certify and submit proof that no prohibited conflict of interest exists.

I. Proposal Format and Content Requirements

1. General instructions

- a. Each firm or individual can submit only one proposal.

For the purposes of this paragraph, "firm" includes a parent corporation of a firm and any other subsidiary of that parent corporation. If a firm or individual submits more than one proposal, DHS will reject all proposals submitted by that firm or individual.

A firm or individual proposing to act as a prime contractor may be named as a subcontractor in another Proposer's proposal. Similarly, more than one Proposer may use the same subcontractors and/or independent consultants.

- b. Develop proposals by following all RFP instructions or clarifications issued by DHS in the form of question and answer notices, clarification notices, and Administrative Bulletins or RFP addenda.
- c. Before submitting your proposal, seek timely written clarification of any requirements or instructions that you believe to be vague, unclear or that you do not fully understand.
- d. In preparing your proposal response, all narrative portions should be straightforward, detailed and precise. DHS will determine the responsiveness of a proposal by its quality, not its volume, packaging or colored displays.
- e. Arrange for the timely delivery of your proposal package(s) to the address specified in this RFP. Do not wait until shortly before the deadline to submit your proposal.

2. Format requirements

- a. Submit one (1) original proposal, five (5) copies or sets, and one (1) copy on CD-R in any DHS standard platform (i.e. Word, Excel, or Adobe).
 - 1) Write "**Original**" on the original proposal set.
 - 2) Each proposal set must be complete with a copy of all required attachments and documentation.
- b. Format the narrative portions of the proposal as follows:
 - 1) Use one-inch margins at the top, bottom, and both sides.
 - 2) Use a font size of not less than 12 point.
 - 3) Print pages single-sided on white bond paper.
 - 4) Sequentially paginate the pages in each section. It is not necessary to paginate items in the Forms Section or Appendix Section.
- c. Bind each proposal set in a way that enables easy page removal. Loose leaf or three-ring binders are acceptable.
- d. All RFP attachments that require a signature must be signed in ink, in a color other than black.
 - 1) Have a person, who is authorized to bind the proposing firm, sign each RFP attachment that requires a signature. Signature stamps are not acceptable.
 - 2) Place the originally signed attachments in the proposal set marked "Original".

- 3) The RFP attachments and other documentation placed in the extra proposal sets may reflect photocopied signatures.
- 4) For the CD-R copy: Any document requiring a signature or any document that cannot be electronically copied should be scanned and placed on the CD as a PDF file.
- e. Do not mark any portion of your proposal response; any RFP attachment, or any other item of the required documentation as "Confidential" or "Proprietary". DHS will disregard any language naming all or portions of the proposal to be confidential.

3. Content requirements

This section specifies the order and content of each proposal. Assemble the materials in each proposal set in the following order:

a. Proposal Cover Page

A person authorized to bind the Proposer must sign the Proposal Cover Page (**See Attachment 1**). If the Proposer is a corporation, a person authorized by the Board of Directors to sign on behalf of the Board must sign the cover page.

b. Table of Contents

Properly identify each section and the contents therein. Paginate all items in each section with the exception of those items placed in the Forms Section and Appendix Section.

c. Executive Summary Section

In preparing your Executive Summary, do not simply restate or paraphrase information in this RFP. Describe or demonstrate, in your own words, the following information.

- 1) Your understanding of DHS' needs and the importance of this project.
- 2) The tangible results that you expect to achieve.
- 3) Your firm's sincere commitment to perform the Scope of Work in an efficient and timely manner.
- 4) How you will effectively integrate this project into your firm's current obligations and existing workload.
- 5) Why your firm should be chosen to undertake this work at this time.

d. Agency Capability Section

- 1) Include a brief history of your firm, including:
 - a) Date of establishment. If applicable, explain any changes in your business history or organizational structure that will assist DHS in determining your qualifications.
 - b) A description of your firm's goals that are relevant, closely related, or will complement this project.
- 2) Describe the experience that qualifies your firm to undertake this project. At a minimum, demonstrate your firm's possession of three consecutive years of experience of the

types listed in this section. All experience must have occurred within the last five years. It is possible to attain the experience types listed below during the same time period. The Proposer must have experience:

- a) Involving health coverage identification and recovery programs, which shall include billing and recovery of pharmaceutical and emergency service claims.
 - b) Involving the start up of an existing Medicaid or Medicare health coverage identification and recovery system.
 - c) Designing, developing, installing, operating and modifying a health coverage identification and recovery system.
 - d) In starting up, designing, developing, installing, modifying, and/or operating any other data processing or health insurer system.
- 3) Briefly, describe the accounts or work projects begun and/or completed in the past five years that involved services similar in nature or closely related to the Scope of Work in this RFP. For each account or project listed, include the following information:
- a) Name of agency or firm for whom services were performed,
 - b) Duration or length of the project,
 - c) Total cost or value of the project,
 - d) Indicate if the account or project is "active/open" or "close/settled", and the reason for contract termination if contract is no longer in effect,
 - e) Describe briefly the type and nature of the services you performed,
 - f) Any performance problems encountered during contract operations, including any that resulted in delays or non-payment to the Contractor.
- 4) Briefly describe any experience that demonstrates your firm's ability to establish and maintain effective working relationships with government entities, local community based organizations, and private non-profit organizations.
- 5) Identify three client references that your firm has serviced in the past five years that can confirm their satisfaction with your services and confirm if your firm provided timely and effective services or deliverables. Use the Proposer References (**Attachment 4**) for this purpose. **Place the completed Proposer References Form in the Forms section of your proposal.**

e. Work Plan Section

1) Overview

- a) DHS is interested in proposals that provide well-organized, comprehensive and technically sound business solutions. Vague explanations will undermine your firm's credibility and will result in reduced proposal scores.
- b) The Work Plan must include an in-depth discussion and description of the methods, approaches and step-by-step actions that will be carried out to fulfill all Scope of Work requirements.

If the nature of a task or function hinders specific delineation of in-depth methods and procedures (e.g., a task is dependent upon a future action or multiple approaches may be used), explain the probable methods, approaches or procedures that you will use to accomplish the task or function. Also, describe, in this instance,

how you will propose the ultimate strategies and detailed plans to DHS for full consideration and approval before you proceed to carry out the project.

- c) If, for any reason, the Work Plan does not wholly address each Scope of Work requirement, fully explain each omission.

2) Rejection of tasks, activities or functions

- a) If full funding does not become available, is reduced, or DHS determines that it does not need all of the services described in this RFP: DHS reserves the right to offer an amended contract for reduced services.

3) Work Plan content

- a) Briefly, explain or describe the overall approach and/or methods that you will use to accomplish the Scope of Work.
- b) Explain why you chose the particular approaches and methods that are proposed (e.g., proven success or past effectiveness, etc.).
- c) If applicable, explain what is unique, creative or innovative about your proposed approaches and/or methods.
- d) If you envision any major complications or delays at any stage of performance, describe those complications or delays and include a proposed strategy for overcoming those issues. Indicate if you do not anticipate any major complications or delays.
- e) Identify the specific tasks/activities and functions that you will perform in the order you believe they will occur. Include the following in-depth information for each task/activity or function in the Work Plan:
 - i. Indicate who will have primary responsibility for performing each major task/activity or function. If known, identify the name and position title of all key personnel, subcontractors, and/or consultants that will perform the work.

If the responsible party is unknown or not yet identified, identify a staff position title or project name/title and indicate "TBD" which is the abbreviation for "to be determined".

- ii. Include a performance timeline for each major task/activity or function. Indicate the approximate beginning and ending month and year. If a task/activity or function will only occur in one fiscal period or year, indicate the beginning and ending month and year.

If desirable, in addition to start and end dates, you may use other terms such as start-up, on-going, continuous, take-over, turn-over, etc. to describe the performance timeline. In doing so, you must define the meaning of each unique term that you use.

- iii. Explain/describe how you intend to measure or prove successful completion of each major task, function, or activity.

If applicable, identify the key events or outcomes that will signify completion or identify tangible items (deliverables) that will result at the conclusion of the various tasks/activities or functions.

f. Management Plan Section

- 1) Describe how you will effectively coordinate, manage and monitor the efforts of the assigned staff, including subcontractors and/or consultants, if any, to ensure that all tasks, activities and functions are completed effectively and in a timely manner.
- 2) Describe the fiscal accounting processes and budgetary controls you will use to ensure the responsible use and management of accounts receivable for collection. Include at a minimum, a brief description of all of the following:
 - a) How recovered Medi-Cal expenditures under this project will be appropriately accounted for and only applicable contingency fees will be billed to DHS (e.g., use of unique account/project codes, etc.).
 - b) Proposed billing or invoicing frequency (not to exceed once a month).
 - c) Identify the documentation that you will maintain on file or submit to DHS upon request to prove, support and/or substantiate the contingency fees that are invoiced to DHS.
- 3) Include an organization chart. Instructions are explained in the Appendix section. **Place the organization chart in the Appendix section of your proposal.**
- 4) Include financial statements. Instructions are explained in the Appendix section. **Place the financial statements in the Appendix section of your proposal.**

g. Project Personnel Section

- 1) In this section, describe your proposed staffing plan. In this plan, include at a minimum:
 - a) Identify by name and position title, each key staff person that will have primary responsibility for managing, directing, overseeing and/or coordinating the work of assigned staff, subcontractors and/or independent consultants and who will maintain effective communications with DHS. (i.e., Contractor's Representative, President, key Information Technology staff, key Accounting and/or Administrative staff).
 - b) Briefly, describe each person's expertise, capabilities and credentials.
 - c) Emphasize any relevant past experience in direction, overseeing, coordinating or managing other government projects.
 - d) Include a resume for each key staff person (professional, managerial, or supervisory) that will exercise a major administrative, policy, or consulting role in carrying out the project work. **Place staff resumes in the Appendix section.** To the extent possible, resumes should not include personal information such as social security number, home address, home telephone number, marital status, sex, birth date, age etc.

- 2) Briefly, describe the administrative policies or procedures you will use to ensure that you will recruit and select well-qualified, competent, and experienced in-house key staff, subcontractors and/or independent consultants.
 - a) If employee recruitment/selection policies or procedures are present in an operations manual, you may cite excerpts from such manuals. Do not simply indicate that such policies exist and do not attach copies of any policies or manuals to your proposal. If deemed necessary, DHS may request copies of your existing manuals or policies.
- 3) Briefly, describe the processes or procedures that you will use to ensure that vacancies are filled expeditiously and that services are continued despite the presence of these vacancies.
- 4) If subcontractors (including independent consultants) will be used to perform contract services, Proposers must do the following at the time of proposal submission:
 - a) Indicate if you have pre-identified any firms/persons to perform the work or if you will recruit them later.
 - i. For each pre-identified subcontractor and independent consultant include:
 - A. Full legal name.
 - B. A brief description of the major duties and functional responsibilities that you intend to assign to the subcontracted firm or independent consultant.
 - C. A brief explanation as to why you chose the subcontracted firm or independent consultant. Stress things such as applicable skills, knowledge, capabilities, past experience or accomplishments, availability, reasonableness of rates, expertise in a field or specialty, etc.
 - D. A resume for each pre-identified subcontractor and independent consultant. **Place all subcontractor and/or consultant resumes in the Appendix section.** To the extent possible, resumes should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.
 - E. A letter of agreement, signed by an official representative of each subcontracted firm or independent consultant. **Place all subcontractor and/or consultant letters of agreement in the Appendix section.**
 - Specific subcontractor and/or independent consultant relationships proposed in response to this RFP (i.e., identification of pre-identified subcontractors and independent consultants) shall not be changed during the procurement process or prior to contract execution. The pre-identification of a subcontractor or independent consultant does not affect DHS' right to approve personnel or staffing selections or changes made after the contract award.
 - ii. For subcontractors and/or independent consultants that cannot be identified when the proposal is submitted to DHS or are to be determined (TBD) after the contract is executed, include:
 - A. An identification of the functions, activities and responsibilities that you intend to assign to each subcontractor and/or independent consultant.

- B. A description of the process that you will use to obtain DHS approval of each subcontractor and/or independent consultant selection along with approval of their budgeted costs and assigned responsibilities.

h. Take-Over/Start-Up Plan

The Proposer shall submit an explanation of their plan to meet all of the requirements for Take-Over/Start-Up. Please refer to Exhibit A, "Scope of Work" for requirement.

i. Cost Proposal Section

1) Basic content

The cost proposal must be submitted in a separate sealed envelope with the statement "Cost Proposal for RFP 02-26025" written on the outside of the envelope.

The Cost Proposal will consist of the following documents:

- Financial Stability and Guaranty Provisions Plan described below.
- Cost Proposal Form described below.

2) General instructions

- a) All cost forms must be typewritten or completed in ink. Errors, if any, should be crossed out and corrections should be printed in ink or typewritten adjacent to the error. The person who signs the Cost Proposal should initial all corrections, preferably in blue ink.

- b) This is a contingency based contract, as such DHS will not fund:

- 1) All unit rates/costs, if any, for each fiscal year.
- 2) Personnel costs
- 3) Fringe benefits
- 4) Operating expenses
- 5) Equipment expenses
- 6) Subcontract expenses
- 7) Travel expenses
- 8) Other costs
- 9) Indirect costs

3) Cost proposal

- a) Proposers shall submit a cost proposal at the same time as their technical proposal, which shall include the proposed cost recovery rate.

- b) The Proposer shall prepare and submit one (1) original cost proposal, typewritten or laser printed. The five (5) additional copies of the cost proposal may reflect photocopied signatures and initials. The Contractor's representative, pursuant to the requirements of Delegation of Authority, shall sign the document.

4) Cost Recovery Amount and Annual Recovery Amount

For the purpose of this RFP, the cost proposal is to be expressed as a percentage of actual recoveries to be realized from the health insurance identified and Medi-Cal services billed by the Contractor. This formula is commonly referred to as a "no cost" percentage of recovery. "No cost" refers to the consideration for court costs, legal fees, and case processing activity, which are incorporated into the Contractor's cost recovery rate and will not be paid separately by the State. The cost recovery rate or bid percentage shall not exceed 15 percent of the gross recovery of Medi-Cal paid services. Deviation above this unit shall render a cost proposal non-responsive.

The Proposer's cost recovery rate will remain the same for the duration of the contract.

The Proposer shall submit the Proposer's estimated annual projected recovery amount based on the methodology described in the Proposed Annual Recovery Methodology. The Proposer's recoveries will be expected to meet the annual projected recovery amount beginning with State fiscal year 2003/2004 of the contract.

The DHS will not accept any annual projected recovery amount less than \$5,000,000. Should any cost proposal include an amount less than \$5,000,000 in annual projected recoveries, the cost proposal will be deemed non-responsive and will be disqualified from further consideration in the procurement process.

The Proposer's annual projected recovery amount will be evaluated based on the formula described in Section K, Evaluation and Selection.

5) Cost Proposal Form

The Proposer shall submit the completed Cost Proposal Form, Attachment 11, for the cost recovery rate being bid for this contract.

- a) Enter estimated annual recovery amount.
- b) Enter Proposer's cost recovery rate. The Proposer's cost recovery rate is representative of the fixed percentage the Proposer will receive for each dollar collected. The cost recovery rate shall not exceed 15 percent.
- c) If claiming Small Business Preference (SBP), indicate by checking the box marked "Yes" and include your Small Business Certification number. If not applicable, indicate by checking the box marked "No".
- d) If claiming Target Area Contract Preference (TACP), indicate "Yes", and attach appropriate documentation. If not applicable, indicate "No".
- e) Sign and print name, title and date accordingly.

6) Financial Stability and Guaranty Provisions Plan

The Proposer shall submit a financial stability plan incorporating the data listed below for the past three corporate fiscal years of the Proposer and the interim period from the end of the last full fiscal year up to and including the date specified for submission of technical proposals.

If the Proposer is a subsidiary of any other legal entity and the financial resources of the Parent Corporation are required to qualify the subsidiary for competition under this procurement, the financial stability submission requirements for this section shall apply to the Parent Corporation.

- a) A Proposer's annual certified financial statements for the last three fiscal years, accompanied by an independent certified public accountant's report, certificate, or opinion.
- b) Public interim financial statements for the interim period from the end of the last full fiscal year up to and including the month prior to submission of technical proposals. The State does not require submittal of interim statements for the last three fiscal years for which annual reports are submitted.
- c) A projected pro forma financial statement and statement of changes in financial position for the next three years predicted upon operation without the award of this contract.
- d) A detailed financial plan and proposed cash flow budget demonstrating the availability and source of sufficient funds to cover the Proposer's projected operation costs without risk of insolvency were the Proposer to provide the contractual services under the contract period.

All financial data submitted in the Financial Stability and Guaranty Provisions Plan in connection with this RFP shall be accompanied by a signed statement from the Proposer's or parent corporation's Chief Executive Officer and Chief Financial Officer, or Contractor's Representative, certifying that the data is current, accurate, and complete.

Proposer must include an organization history of claims of bankruptcy, receivership, questioned costs, repayment of funds, failure to fulfill contract, and criminal or civil legal actions that name the organization or administrative/supervisory staff, that have occurred during the past five years.

j. Appendix Section

Place the following documentation in the Appendix section of your proposal in the order shown on next page.

1) **Proof of Corporate status**

If the Proposer is a Corporation, submit a copy of your firm's most current Certificate of Status issued by the State of California, Office of the Secretary of State. Submit an explanation if you cannot submit this documentation. Unless otherwise specified, do not submit copies of your firm's Bylaws or Articles of Incorporation.

2) **Proof of Non-profit status**

Non-profit organizations must prove they are legally eligible to claim "non-profit" and/or tax-exempt status by submitting a copy of an IRS determination letter indicating

non-profit or 501 (3)(c) tax-exempt status. Submit an explanation if you cannot supply this documentation.

3) An organization chart

The organizational chart must show the lines of authority and reporting relationships within your organization; including the relationship between management and subcontractors, and/or independent consultants, if any.

4) Financial statements

Submit copies of financial statements for the past three years or most recent thirty-six (36) month period.

- a) Annual income statement(s), and
- b) Quarterly or annual balance sheets

Audited statements are preferred, but not required. If you supply audited financial statements, all noted audit exceptions must be explained. DHS will accept financial statements prepared by your financial accounting department, accounting firm or an auditing firm. A statement signed by your Chief Financial Officer certifying that the financial statements are accurate and complete must accompany all financial statements.

5) Staff resumes

Resume specifications appear in the Project Personnel section. To the extent possible, resumes should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.

6) Subcontractor/Consultant resumes

Submit a resume for each pre-identified subcontractor or independent consultant, if any, as discussed in the Project Personnel section. To the extent possible, resumes should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.

7) Subcontractor/Consultant letters of agreement

For each pre-identified subcontractor and independent consultant that will be used to perform services under the resulting contract, submit a letter of agreement to work on this project.

A letter of agreement must be signed by an official representative of each subcontracted firm or independent consultant, indicating his or her acknowledgement of being named as a subcontractor or consultant, their availability to work on this project, and acknowledgement that they have read or been made aware of the proposed contract terms, conditions and exhibits. Include an explanation if you cannot obtain a letter of agreement from each pre-identified subcontractor and consultant and indicate when a letter of agreement will be forthcoming.

8) Conflict of Interest Compliance Certificate

- a) Any firm that intends to submit a proposal is required to submit **Attachment 13** certifying that the proposing firm:

- i) Is not currently involved with or connected to the State of California, Department of Health Services in either a contracting or decision making capacity and/or engaging in the exchange of information, and
 - ii) Understands that the conflict of interest requirements shall remain in effect for the entire term of the resulting agreement.
- b) If a conflict of interest is determined to exist that cannot be resolved to the satisfaction of DHS, before the award of the contract, the conflict will be grounds for deeming a proposal non-responsive.
- c) Proposers must assess their own situation according to the Conflict of Interest Compliance Certification information in **Attachment 13**. Complete, sign, and attach any required documentation according to the instructions on the attachment. **Place Attachment 13 and any accompanying documentation in the Appendix Section of your proposal.**

9) Attestation of Understanding/Agreement

Proposers shall complete and submit the Attestation of Understanding/Agreement (see Exhibit H for copy of form) in the Executive Summary portion of their technical proposal.

k. Forms Section

When completing this section, do not

- Alter the information supplied or the order of the RFP attachments.
- Add items that the Proposer has been instructed to submit in a different part of the proposal response (i.e., Letter of Intent, Work Plan, Cost Proposal, etc.).

Complete, sign, and include the forms/attachments listed below. When completing the forms/attachments, follow the instructions in this section and any instructions appearing on the form/attachment. After completing and signing the applicable form/attachments, assemble them in the order shown below.

Attachment and/or Documentation	Instructions
1 – Proposal Cover Page	Completion of the form is self-explanatory.
2 - Required Attachment / Certification Checklist	<p>1) Check each item with "Yes" or "N/A", as applicable, and sign the form. If necessary, explain your responses.</p> <p>2) If a Proposer marks "Yes" or "N/A" and makes any notation on the checklist and/or attaches an explanation to the checklist to clarify their choice, DHS considers this a "qualified response". Any "qualified response", determined by DHS to be unsatisfactory or insufficient to meet a requirement, may cause a proposal to be deemed non-responsive.</p>
3 - Proposer Information Sheet	Completion of the form is self-explanatory.

Attachment and/or Documentation	Instructions
4 - Proposer References	Identify three (3) clients you have serviced within the past five years that can confirm their satisfaction with your services and confirm if your firm provided timely and effective services or deliverables. If possible, identify clients whose needs were similar in scope and nature to the services sought in this RFP. List the most recent first.
5 - RFP Clause Certification	Complete and sign this form indicating your willingness and ability to comply with the contract certification clauses appearing in the RFP section entitled, "Bid Requirements and Information," subsection "Bidding Certification Clauses".
6 - CCC 201 - Certification	Complete and sign this form indicating your willingness and ability to comply with the Contractor Certification Clauses appearing in this Attachment.
7 - Payee Data Record	Complete and return this form, <u>only</u> if you have not previously entered a contract with DHS. If uncertain, complete and return the form.
8a - Actual DVBE Participation and applicable DVBE certification(s) and/or 8b - Good Faith Effort with required documentation	Read and carefully follow the completion instructions in Attachment 9. Attach the documentation that is required for the form(s) you choose to submit. One and/or both of these forms may be required. Submission of these forms only applies to contract awards that equal \$10,000 or more for the entire contract term.
9 - Target Area Contract Preference Act Request	Complete and return this form, <u>only</u> if your firm is based in California, your total bid is \$100,000 or more, DHS has not pre-set any part of the work location, and you wish to apply for TACPA preference.
10 - Enterprise Zone Act (EZA) Preference Request	Complete and return this form, <u>only</u> if your firm is based in California, the total bid offered is \$100,000 or more, no part of the work location has been preset by DHS, and you wish to apply for EZA preference.
11- Cost Proposal Form	Completion of this form is self-explanatory.

J. Proposal Submission

1. General instructions

- a. Assemble an original, five (5) copies, and the CD-R version of your proposal together. Place the proposal set marked "Original" on top, followed by the five (5) extra copies, and then the CD-R copy.
- b. Place all proposal copies in a single envelope or package, if possible. Seal the envelope or package.

If you submit more than one envelope or package, carefully label each one as instructed below and mark on the outside of each envelope or package "1 of X," "2 of X," etc.

- c. Mail or arrange for hand delivery of your proposal to DHS, Office of Medi-Cal Procurement (OMCP). **Proposals may not be transmitted electronically by fax or email.**
- d. The OMCP must receive your proposal, regardless of postmark or method of delivery, by **4:00 p.m. on February 21, 2003.** Late proposals will not be reviewed or scored.
- e. Label and submit your proposal using one of the following methods.

**Hand Delivery or
Overnight Express:**

Proposal RFP 02-26025
DHS of Health Services
Office of Medi-Cal Procurement
600 North 10th Street, Room 240C
Sacramento, CA 95814

U.S. Mail:

Proposal RFP 02-26025
DHS of Health Services
Office of Medi-Cal Procurement
P. O. Box 942732
Sacramento, CA 94234-7320

Proposer warning

DHS' internal processing of U.S. mail may add up to 48 hours to the delivery time. If you mail your proposal, consider using certified or express mail and request a receipt upon delivery. If you choose hand delivery, allow sufficient time to locate on street metered parking and to sign-in at the security desk. See Appendix 1 for driving and parking instructions.

2. Proof of timely receipt

- a. DHS staff will log and attach a date/time stamped slip or bid receipt to each proposal package/envelope received. If a proposal envelope or package is hand delivered, DHS staff will give a bid receipt to the hand carrier upon request.
- b. To be timely, DHS' Office of Medi-Cal Procurement must receive each proposal at the stated delivery address no later than 4:00 p.m. on the proposal submission due date. Neither delivery to DHS' mailroom or a U. S. postmark will serve as proof of timely delivery.
- c. DHS will deem late proposals non-responsive.

3. Proposer costs

Proposers are responsible for all costs of developing and submitting a proposal. Such costs cannot be charged to DHS, or be included in any cost element of a Proposer's price offering.

K. Evaluation and Selection

A multiple stage evaluation process will be used to review and/or score technical proposals. DHS will reject any proposal that is found to be non-responsive at any stage of evaluation.

1. Stage 1 – Required Attachment: Certification Checklist Review

- a. Shortly after the proposal submission deadline, DHS staff will convene to review each proposal for timeliness, completeness, and initial responsiveness to the RFP requirements. This is a pass/fail evaluation.
- b. In this review stage, DHS will compare the contents of each proposal to the claims made by the Proposer on the Required Attachment: Certification Checklist, to determine if the Proposer's claims are accurate.
- c. If deemed necessary, DHS may collect additional documentation (i.e., missing forms, missing data from RFP attachments, missing signatures, etc.) from a Proposer to confirm the claims made on the Required Attachment: Certification Checklist, and to ensure that the proposal is initially responsive to the RFP requirements.
- d. If a Proposer's claims on the Required Attachment/Certification Checklist cannot be proven or substantiated, the proposal will be deemed non-responsive and rejected from further consideration.

2. Stage 2 – Acceptable/Unacceptable Determination of Technical Proposals

- a. Proposals that appear to meet the basic format requirements, initial qualification requirements and contain the required documentation, as evidenced by passing the Stage 1 review, will be submitted to a rating committee.

The raters will individually and/or as a team review, evaluate and numerically score proposals based on the proposal's adequacy, thoroughness, and the degree to which it complies with the RFP requirements.

- b. DHS will use the following scoring system to assign points. Following this chart is a list of the considerations that raters may take into account when assigning individual points to a technical proposal.

Points	Interpretation	General basis for point assignment
0	Inadequate	Proposal response (i.e., content and/or explanation offered) is inadequate or does not meet DHS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
1	Barely Adequate	Proposal response (i.e., content and/or explanation offered) is barely adequate or barely meets DHS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s), are inconsequential and acceptable.
2	Fully Adequate	Proposal response (i.e., content and/or explanation offered) is fully adequate or fully meets DHS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s), if any, are inconsequential and acceptable.

Points	Interpretation	General basis for point assignment
3	Excellent or Outstanding	Proposal response (i.e., content and/or explanation offered) is above average or exceeds DHS' needs/requirements or expectations. Minimal weaknesses are acceptable. Proposer offers one or more enhancing feature, method or approach that will enable performance to exceed our basic expectations.

c. In assigning points for individual rating factors, raters may consider issues including, but not limited to, the extent to which a proposal response:

- 1) Is lacking information, lacking depth or breadth or lacking significant facts and/or details, and/or
- 2) Is fully developed, comprehensive and has few if any weaknesses, defects or deficiencies, and/or
- 3) Demonstrates that the Proposer understands DHS' needs, the services sought, and/or the contractor's responsibilities, and/or
- 4) Illustrates the Proposer's capability to perform all services and meet all Scope of Work requirements, and/or
- 5) If implemented, will contribute to the achievement of DHS' goals and objectives, and/or
- 6) Demonstrates the Proposer's capacity, capability and/or commitment to exceed regular service needs (i.e., enhanced features, approaches, or methods; creative or innovative business solutions).

d. Below are the point and weight values for each rating category that will be scored.

- 1) Proposals will be scored on a scale of 0 to 216 points, as follows:

<u>Rating Category</u>	<u>Points</u>	<u>X</u>	<u>Weight</u>	<u>=</u>	<u>Total</u>
Executive Summary	15	X	1.0	=	15
Agency Capability	24	X	1.0	=	24
Work Plan	24	X	1.0	=	24
Management Plan	15	X	2.0	=	30
Take-Over/Start-Up	33	X	1.0	=	33
Scope of Work	90	X	1.0	=	90
Grand Total					216

- 2) DHS will consider a proposal technically deficient and non-responsible if the proposal earns a score that is less than **151** points. Non-responsible proposals will not advance to Stage 3.

3. Stage 3 – Scoring the Cost Section

- a. Proposers that earned a passing score in Stage 2 will have the Cost section of their proposal scored and/or evaluated according to the process described herein.

The cost proposal evaluation will include the following steps:

- 1) Opening of the cost proposals.
- 2) Review for completeness and compliance with RFP instructions. Each cost proposal shall be reviewed to ensure that it is complete and the calculations are accurate. Submission of a complete cost proposal in the State's prescribed format is mandatory. If a Proposer fails to comply, the cost proposal shall be determined non-responsive. Errors in bids will be handled in the manner prescribed below.

b. Errors in the Cost Proposal Response

If discrepancies between sections, arithmetic, or transposition errors are identified in a submitted cost proposal, the State may, at its option, retain the cost proposal and correct any said errors by interpreting the cost proposals as follows:

- 1) The lowest level of detail will prevail in any discrepancy. In any case, when summary totals do not correspond with the arithmetic of the component parts, the component parts shall prevail.
- 2) If the re-computations or interpretations applied above result in significant changes in the money to be paid to a Contractor, the affected Proposers will be notified prior to contract award.

c. Proposer Estimated Annual Recovery – Evaluation Criteria

A projection of the Proposer Estimated Annual Recovery and the Proposer's Percentage Bid Rate must be submitted as part of the cost proposal. This projection shall result from the activities and efforts of the contract. A financial evaluation will be calculated as follows:

$$\begin{aligned} &\text{Proposer Estimated Annual Recovery} \\ &\times (1 - \text{Proposer's Bid Rate \%}) \\ &= \text{Projected Net Annual State Recovery} \end{aligned}$$

The Proposer with the highest Projected Annual State Recovery will receive the maximum number of points assigned to the cost proposal. All other Proposers will receive points based on the maximum number of points assigned. The points will be calculated as follows:

$$\begin{aligned} &(\text{Projected Annual State Recovery} / \text{highest Projected Annual State Recovery}) \\ &\times 150 (\text{maximum number of points available for the cost proposal}) \\ &= \text{Proposer's cost proposal point award} \end{aligned}$$

Example:

The following three proposals are being evaluated:

Proposer A:	\$3,000,000 anticipated recoveries	at 8% Bid Rate
Proposer B:	\$5,000,000 anticipated recoveries	at 10% Bid Rate
Proposer C:	\$8,000,000 anticipated recoveries	at 12% Bid Rate

Each Proposer's Projected Annual State Recovery would be:

Proposer A:	\$3,000,000 x (1- .08 bid rate or .92)	= \$ 2,760,000
Proposer B:	\$5,000,000 x (1- .12 bid rate or .88)	= \$ 4,400,000
Proposer C:	\$8,000,000 x (1- .10 bid rate or .90)	= \$ 7,200,000

Cost Proposal Points will be awarded to Proposers as follows:

Proposer A: $\$ 2,760,000 / 7,200,000 = .383 \times 99 = 37.92$ points
 Proposer B: $\$ 4,400,000 / 7,200,000 = .611 \times 99 = 60.49$ points
 Proposer C: $\$ 7,200,000 / 7,200,000 = 1.00 \times 99 = 99.00$ points

4. Stage 4 – Final Score Calculation

The DHS will use the formula shown below to calculate final proposal scores and to determine the highest scored proposal.

a. Technical Score $\times 69\% =$ Technical Score
 b. Cost Section Score $\times 31\% =$ Cost Score
 c. $\begin{array}{r} \text{Technical Score} \\ + \text{Cost Score} \\ \hline = \text{Total Point Score} \end{array}$

5. Stage 5 – Adjustments to Score Calculation for Bidding Preferences

- a. The DHS will determine which firms, if any, are eligible to receive a bidding preference (i.e., small businesses, TACPA, and/or EZA).
- b. To confirm the identity of the highest scored responsible Proposer, DHS will adjust the total proposal costs for applicable claimed preferences and will readjust the cost score of those Proposers eligible for bidding preferences. DHS will apply preference adjustments to eligible Proposers according to State regulations following verification of eligibility with the appropriate office of the DGS. More information about the allowable bidding preferences appears in the RFP section entitled, "Preference Programs".

L. Technical Proposal Rating Factors

Raters will use the following criteria to score the Technical Proposal.

1. Executive Summary

Executive Summary Rating Factors	Points Possible	Points Earned
To what extent did the Proposer express, in its own words, its understanding of DHS' needs and the importance of this project? Assign 1 point or 0 points if the Proposer restates or paraphrases information in the RFP.	3	
To what extent did the Proposer demonstrate the tangible results that it expects to achieve? Assign 1 point or 0 points if the Proposer restates or paraphrases information in the RFP.	3	
To what extent did the Proposer express a sincere commitment to perform this work in an efficient and timely manner?	3	

Executive Summary Rating Factors	Points Possible	Points Earned
To what extent did the Proposer demonstrate that it can effectively integrate this project into its current obligations and existing workload?	3	
To what extent did the Proposer adequately explain why it should be chosen to undertake this project at this time?	3	
Executive Summary Score _____ Points earned X 1.0 = _____		

15 possible points

2. Agency Capability

Agency Capability Rating Factors	Points Possible	Points Earned
Upon reviewing the Proposer's description of its business history, to what extent are the Proposing firm's goals relevant, closely related, or will their goals complement this project?	3	
From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in previous health coverage identification and recovery experience?	3	
From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in previous pharmaceutical and/or emergency service claims billing and recovery experience?	3	
From the experience described in its proposal, to what extent does the Proposer possess sufficient Medi-Cal or Medicaid contract experience in the start up of an existing Medicaid health coverage identification and recovery system?	3	
From the experience described in its proposal, to what extent does the Proposer possess sufficient Medicare experience in the start up of an existing Medicare health coverage identification and recovery system?	3	
From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in start up, design, development, installation, operation and modification of health coverage identification, post-payment recovery systems or other data processing systems?	3	
To what extent has the Proposer identified that this contract would be of a high priority to the Proposer?	3	
Based on a review of the Proposer's information about its prior accounts or work projects in the past 5 years, to what extent did the Proposer demonstrate that it has performed services that were similar in nature or closely related to the RFP Scope of Work?	3	
Agency Capability Score _____ Points Earned X 1.0 = _____		

24 possible points

3. Work Plan

Work Plan Rating Factors	Points Possible	Points Earned
To what extent are the Proposer's overall approaches and/or methods comprehensive and/or technically sound?	3	

Work Plan Rating Factors	Points Possible	Points Earned
To what extent did the Proposer offer a rationale for choosing its particular approaches and methods (i.e., proven success or past effectiveness)?	3	
To what extent are the proposed procedures, methods and approaches appropriate and reasonable (i.e., if implemented are they likely to produce the desired results)?	3	
To what extent does the Proposer describe in detail the specific actions (i.e., tasks/activities and functions) that the Proposer will perform to fulfill all scope of work requirements?	3	
To what extent will the Proposer perform the tasks/activities and functions in a logical order?	3	
To what extent did the Proposer identify who will have primary responsibility for performing each major task/activity or function?	3	
To what extent are the proposed performance timelines realistic and achievable?	3	
To what extent did the Proposer adequately demonstrate how it will measure and/or prove the completion of major tasks (i.e., identification of key events/outcomes or deliverables)?	3	
Work Plan Score _____ Points earned X1.0 = _____		

24 possible points**4. Management Plan**

Management Plan Rating Factors	Points Possible	Points Earned
To what extent has the Proposer demonstrated its capability to effectively coordinate, manage and monitor the efforts of assigned staff (including subcontractors and consultants) to ensure that work is effectively completed and timely?	3	
Upon reviewing the Proposer's description of its fiscal accounting processes and budgetary controls, to what extent are the fiscal processes and controls adequate to ensure the responsible use and management of accounts receivable for collection?	3	
Upon reviewing the Proposer's description of its fiscal accounting processes and budgetary controls, to what extent can the Proposer properly account for recovered Medi-Cal expenditures to ensure that only appropriate contingency fees are billed to DHS?	3	
Upon reviewing a description of its fiscal accounting processes and budgetary controls, to what extent has the Proposer demonstrated that it will maintain appropriate documentation to prove, support or substantiate the contingency fees invoiced to DHS?	3	
Upon reviewing the Proposer's organization chart in the Appendix Section, to what extent is the Proposer's organizational structure sound with distinct lines of authority and reporting relationships between management and all staff including subcontractors and independent consultants?	3	
Management Plan Score _____ Points earned X 2.0 = _____		

30 possible points

5. Scope of Work

Scope of Work	Points Possible	Points Earned
To what extent has the Proposer described their capability to develop an effective and efficient system to administer the OHCIR identification and recovery program?	3	
To what extent do the methods the Proposer described to identify, verify, and report previously unknown health coverage for all Medi-Cal beneficiaries within the time frames specified, appear to be effective, efficient, and ensure maximum identification and recoveries?	3	
To what extent do the methods described rely on the effective use of automated technology, data transfer, storage, and retrieval?	3	
To what extent do the methods describe evidence of effective reporting of health coverage to DHS within 30 calendar days of verification and will it provide effective and efficient reporting of accurate health coverage information?	3	
To what extent does the proposal give evidence of the Contractor's ability to effectively perform the State's data matches with assigned health insurance carriers?	3	
To what extent does the proposal describe how the Contractor shall verify the accuracy of the coverage data identified with the carrier before forwarding this information to the DHS and DHS' Fiscal Intermediary?	3	
To what extent does the Proposer give an explanation of effective procedures to exclude the identification and recovery of Medi-Cal expenditures from the specified activities?	3	
To what extent does the Proposer give an explanation of an effective procedure to perform and report recovery activities?	3	
To what extent do the methods described for follow-up, collection, and reporting activities associated with the DHS' automated billing appear to be effective and efficient?	3	
To what extent do the methods used for verification of coverage appear to be effective, allowing for the accurate reporting of coverage within 30 calendar days of the date coverage was verified?	3	
To what extent do the methods described for the collection of outstanding Medi-Cal recovery claims previously submitted by DHS appear to be effective in maximizing recoveries?	3	
To what extent does the proposal describe the billing procedures for HMO & PHP covered emergency services?	3	
To what extent does the proposal describe an effective method of accessing and utilizing DHS data for identification, verification, reporting, and recovery activities?	3	
To what extent does the proposal describe an effective method to assure that the billings, reports, and/or communications to liable third parties and DHS are based on accurate matches between DHS' files and beneficiary information, and complete and accurate Medi-Cal payments? Are the methods consistent with accepted billing standards? Are the methods HIPAA compliant?	3	
To what extent does the proposal show a clear understanding that compensation to the Contractor shall be based on monies recovered from the Contractor billings; and that the Contractor shall not be compensated for any recoveries collected on behalf of a beneficiary for whom the Contractor fails to report the existence of health coverage to the State?	3	

Scope of Work	Points Possible	Points Earned
To what extent does the proposal describe the notification of liable third parties of the State's collection rights and the Contractor role as agent?	3	
To what extent does the proposal describe how the Contractor shall assemble HIPAA compliant Medi-Cal payment information on each identified Medi-Cal beneficiary?	3	
To what extent does the proposal show an understanding of the relationship the Contractor will have with DHS' Fiscal Intermediary and any costs surrounding that relationship?	3	
To what extent does the proposal describe the payment procedure to be used by the liable third party?	3	
To what extent does the proposal describe the procedure for resolving third party inquiries?	3	
To what extent does the proposal describe how the Contractor shall maintain accounting records in accordance with generally accepted accounting practices and principles?	3	
To what extent does the proposal describe how the Contractor shall maintain an automated billing and accounting system, and an accounts receivable file that can interact with DHS and the Fiscal Intermediary's systems and files?	3	
To what extent does the proposal describe how the Contractor will supply monthly and quarterly reports to DHS?	3	
To what extent does the proposal describe how the Contractor will notify DHS of any liable third party payer who refuses to pay DHS for reasonable value of the Medi-Cal benefits provided to the insured beneficiary even after Contractor follow-up?	3	
To what extent does the proposal describe how the Contractor shall develop and produce, with DHS approval, any forms necessary to perform all work-related functions?	3	
To what extent does the proposal show that the Contractor will bear all costs associated with providing stamped/self-addressed envelopes with all inquiry mailing directed to Medi-Cal beneficiaries?	3	
To what extent does the proposal describe how the Contractor shall maintain open communication with DHS and provide a toll-free telephone line(s) with adequate staffing to respond to inquiries from beneficiaries and liable third parties?	3	
To what extent does the proposal describe how the Contractor shall receive and process the Monthly Medi-Cal Eligibility Data System Extract Files (MMEF), Carrier Master Files (CMF), and the Health Insurance System (HIS) database files within 4 weeks of receipt from the State?	3	
To what extent does the proposal describe how the Contractor shall complete a test match within 60 days of receipt of each MMEF tape with the Contractor's files and package the match in a format readable by the State with adequate security to maintain confidentiality of the beneficiaries contained in the match?	3	

Scope of Work	Points Possible	Points Earned
To what extent does the proposal indicate how the Proposer intends to obtain HIPAA compliant health coverage information from insurance carriers, plans, employers, or other sources of information and maintain it in such a way as to be matched to DHS files and DHS' Fiscal Intermediary files?	3	
Scope of Work _____ Points earned X 1.0 = _____		
90 possible points		

6. Take-Over/Start-Up Requirements

Take-Over Plan/ Start-Up Requirements	Points Possible	Points Earned
To what extent does the take-over plan identify potential transition issues and offer methods to resolve them?	3	
To what extent are the take-over activities defined at the level of detail required in the RFP?	3	
To what extent do the take-over submissions offer methods that resolve and/or avoid problems that may occur or provide acceptable contingency submissions in the event that the problem(s) cannot be resolved or avoided?	3	
To what extent does the start-up submission define the step-by-step approach for the Proposer to successfully develop and implement policies, procedures, forms and manuals related to the identification of other health coverage and the recovery of Medi-Cal monies within six months after the contract effective date in order to complete the entire start-up functions?	3	
To what extent does the start-up submission include all start-up deliverables as required in the RFP?	3	
To what extent does the start-up submission identify how and when the automated systems will be developed, tested, and implemented?	3	
To what extent does the start-up submission detail how the systems will support electronic data matches, data collection, transmission of cost avoidance, recovery and identification data, and the Medi-Cal claims management and accounting functions?	3	
To what extent are the start-up activities defined at the level of detail required in the RFP?	3	
To what extent does the start-up submission allow for the monitoring and reporting of those problems on a weekly basis?	3	
To what extent does the start-up submission describe how the contractor intends to identify and report situations, occurrences, and deficiencies where contractual schedules and accuracy standards are not being met?	3	
To what extent does the start-up submission ensure successful HIPAA compliance to all contractor responsibilities?	3	
Take-Over/Start-Up _____ Points earned X 1.0 = _____		
33 possible points		

M. Cost Proposal Rating Factors

Raters will use the following criteria to score the Cost Proposal.

Cost Proposal	Points Possible	Points Earned
Upon reviewing the Cost Proposal and Cost Proposal form, has the Proposer expressed a reasonable percentage of recovery?	3	
Upon reviewing the Cost Proposal and Cost Proposal form, did the Proposer propose to maintain the same cost recovery rate throughout the contract?	3	
Upon reviewing the Cost Proposal and Cost Proposal form, did the Proposer include an annual projected recovery amount?	3	
Upon reviewing the Cost Proposal and Cost Proposal form, does the Proposer's projected recoveries meet the annual projected recovery amount for fiscal year 2003/2004?	3	
Do the methodologies and figures supplied by the Proposer show that the rate is reasonable and/or appropriate?	3	
Upon reviewing the proposed rate, does the rate appear to be reasonable based upon the assigned level of responsibility and history?	3	
Upon reviewing the Proposer's financial statements in the Appendix Section, to what extent is the Proposer financially stable and sound?	3	
Upon reviewing the Proposer's financial statements in the Appendix Section, does the Proposer show that it has the ability to generate sufficient positive cash flow from other ongoing operations and/or sufficient working capital to cover the lapse between the time the Contractor incurs costs and DHS makes payments in connection with such costs? This includes the ability to endure cash flow shortages or other financial difficulties, which might otherwise have a significant adverse effect upon the Contractor's operations and interfere with the Contractor's ability to satisfy its obligations under this contract.	3	
Does the Proposer show the ability to establish and maintain sufficient tangible net worth to provide for unexpected fluctuations or trends in incurred Medi-Cal claims costs, or any other cost overruns, or to withstand payment delays or liquidated damage assessments?	3	
Does the Proposer show it has sufficient financial resources to maintain the required capital investment in this project until DHS accepts the deliverables for takeover?	3	
Does the Proposer show that it has sufficient tangible net worth and working capital to ensure: <ul style="list-style-type: none"> • That each major task is completed during takeover? • The ongoing operation of the system? • The turnover of the system to the successor Contractor that is in accordance with RFP requirements? 	3	
Are the Proposer's capital resources available for use in performing this contract?	3	
Cost Evaluation Score _____ Points earned X 2.75 = _____		

99 possible points

N. Bid Requirements and Information

1. Non-responsive proposals

In addition to any condition previously indicated in this RFP, the following occurrences may cause DHS to deem a proposal non-responsive.

a. Failure of a Proposer to:

- 1) Meet DVBE participation goals or to demonstrate that a substantial Good Faith Effort (GFE) was made to meet those goals.
- 2) Meet proposal format/content or submission requirements including, but not limited to, the sealing, labeling, packaging, and/or timely and proper delivery of proposals.
- 3) Pass the Required Attachment/Certification Checklist review (i.e., by not marking "Yes" to applicable items or by not appropriately justifying, to DHS' satisfaction, all "N/A" designations).
- 4) Submit a **mandatory** Letter of Intent in the manner required.
- 5) Submit a **mandatory** Conflict of Interest Compliance Certificate in the manner required.

- b. If a Proposer submits a proposal that is conditional, materially incomplete or contains material defects, alterations or irregularities of any kind.
- c. If a Proposer supplies false, inaccurate or misleading information or falsely certifies compliance on any RFP attachment.
- d. If DHS discovers, at any stage of the bid process or upon contract award, that the Proposer is unwilling or unable to comply with the contract terms, conditions and exhibits cited in this RFP or the resulting contract.
- e. If other irregularities occur in a proposal response that is not specifically addressed herein (i.e., the Proposer places any conditions on performance of the Scope of Work, submits a counter proposal, etc.).

2. Proposal modifications after submission

- a. All proposals are to be complete when submitted. However, an entire proposal may be withdrawn and the Proposer may resubmit a new proposal.
- b. To withdraw and/or resubmit a new proposal, follow the instructions appearing in the RFP section entitled, "Withdrawal and/or resubmission of Proposals".

3. Withdrawal and/or resubmission of proposals

a. Withdrawal deadlines

A Proposer may withdraw a proposal at any time before the proposal submission deadline.

b. Submitting a withdrawal request

- 1) Submit a written withdrawal request, signed by an authorized representative of the Proposer.
- 2) Label and submit the withdrawal request using one of the following methods.

U.S. Mail, Hand Delivery or Overnight Express:	Fax:
Withdrawal RFP 02-26025 Department of Health Services OMCP P.O. Box 942732 1800 3rd Street, Room 455 Sacramento, CA 94234-7320	Withdrawal RFP 02-26025 Department of Health Services OMCP Fax: (916) 323-4091

- 3) **[For faxed withdrawal requests]** Proposers must call (916) 323-7406 to confirm receipt of a faxed withdrawal request. Follow-up the faxed request by mailing or delivering the signed original withdrawal request within 24 hours after submitting a faxed request.

An originally signed withdrawal request is generally required before DHS will return a proposal to a Proposer. DHS may grant an exception if the Proposer informs DHS that a new or replacement proposal will immediately follow the withdrawal.

c. Resubmitting a proposal

After withdrawing a proposal, Proposers may resubmit a new proposal according to the proposal submission instructions. Replacement proposals must be received at the stated place of delivery by the proposal due date and time.

4. Contract award and protests

a. Contract award

- 1) Award of the contract, if awarded, will be to the responsive and responsible Proposer, who earns the highest total score. The highest scored proposal will be determined after DHS adjusts Proposer scores for applicable bidder preferences.
- 2) DHS shall award the contract only after DHS posts a Notice of Intent to Award for five (5) working days. DHS expects to post the Notice of Intent to Award before the close of business on **April 25, 2003** at the following location:

Department of Health Services
 Contract Management Unit
 3rd Street, Room 455
 Sacramento, CA 95814

- 3) DHS will mail or fax a written notification and/or a copy of the Notice of Intent to Award to all firms that submitted a proposal.
- 4) DHS will confirm the contract award to the winning Proposer after the protest deadline, if no protests are filed or following the Department of General Service's (DGS) resolution of all protests. DHS staff may confirm an award verbally or in writing.

b. Settlement of ties

In the event of a precise highest score tie between a certified small business and a certified DVBE, the contract will be awarded to the DVBE per Government Code Section 14838(f) et seq.

DHS will settle all other tied total scores by making an award to the Proposer who earns the highest score on their narrative proposal (i.e., Technical Proposal). If narrative proposal (i.e., Technical Proposal) scores are also tied, DHS will settle the tie in a manner that DHS determines to be fair and equitable (e.g., lot drawing, coin toss, etc.). In no event will DHS settle a tie by dividing the work among the tied Proposers.

c. Protests

1) Who can protest

Any Proposer who submits a proposal may file a protest if the Proposer believes its proposal is responsive to all RFP requirements.

2) Grounds for protests

Protests are limited to the grounds described in Public Contract Code (PCC) Section 10345. DHS will not make an award until all protests are withdrawn by the protestant, denied, or resolved to the satisfaction of DGS.

3) Protest timelines

- a. Eligible Proposers may file a first and quite brief "Notice of Intent to Protest" within **five working days** after DHS posts the Notice of Intent to Award.
- b. Within **five calendar days** after filing a "Notice of Intent to Protest", the protestant must file a full and complete written protest statement identifying the specific grounds for the protest. The statement must contain, in detail, the reasons, law, rule, regulation, or practice that the protestant believes DHS has improperly applied in awarding the contract.

4) Submitting a protest

Protests must be filed with both DGS and DHS. You may hand deliver, mail or fax your protest.

Label, address and submit the initial protest notice and detailed protest statement using one of the following methods.

U.S. Mail, Hand Delivery or Overnight Express:	Fax:
Protest to DHS RFP 02-26025 Dept. of Health Services Contract Management Unit 1800 3rd Street, Suite 455 P.O. Box 942732 Sacramento, CA 94234-7320	Protest to DHS RFP 02-26025 Dept. of Health Services Contract Management Unit Fax: (916) 323-4091

U.S. Mail, Hand Delivery or Overnight Express:	Fax:
Protest to DHS RFP 02-26025 Dept. of General Services Office of Legal Services Attention: Protest Coordinator 707 Third Street P.O. Box 989052 West Sacramento, CA 95798-9052	Protest to DHS RFP 02-26025 Dept. of General Services Office of Legal Services Fax: (916) 376-5088

For faxed protests

Faxed protests must be followed-up by sending an original signed protest, with all supporting material, within one (1) calendar week of submitting the faxed protest.

Call the telephone numbers below to confirm your fax transmission:

Department of General Services	(916) 376-5080
Department of Health Services	(916) 322-6122

5. Disposition of proposals

- a. All materials submitted in response to this RFP will become the property of DHS and, as such, are subject to the Public Records Act (GC Section 6250, et seq.). DHS will disregard any language purporting to render all or portions of any proposal confidential.
- b. Proposals are public records upon the posting of a Notice of Intent to Award. However, the contents of all proposals, draft RFPs, correspondence, agenda, memoranda, working papers, or any other medium, which discloses any aspect of a Proposer's proposal, shall be held in the strictest confidence until the award is made. DHS shall hold the content of all working papers and discussions relating to a proposal confidential indefinitely, unless the public's interest is best served by disclosure because of its pertinence to a decision, agreement, or the evaluation of a proposal. A Proposer's disclosure of this subject is a basis for rejecting a proposal and ruling the Proposer ineligible to participate further in the bidding process.
- c. DHS may return a proposal to a Proposer at their request and expense after DHS concludes the bid process.

6. Inspecting or obtaining copies of proposals

- a. Who can inspect or copy proposal materials

Any person or member of the public can inspect or obtain copies of any proposal materials.

- b. What can be inspected/copied and when

- 1) After DHS releases the RFP, any existing Proposers List (i.e., list of firms to whom the RFP is sent) is considered a public record and will be available for inspection or copying.
- 2) On or after DHS posts the Notice of Intent to Award, all proposals, letters of intent, checklists and/or scoring/evaluation sheets become public records. These records shall be available for review, inspection, and copying during normal business hours.

c. Inspecting or obtaining copies of proposal materials

Persons wishing to view or inspect any proposal or award related materials must identify the items they wish to inspect and must make an inspection appointment by contacting Jesse Tanguileg, at (916) 323-7406.

Persons wishing to obtain copies of proposal materials may visit DHS or mail a written request to the DHS office identified below. The requestor must identify the items they wish to have copied. Materials will not be released from State premises for the purpose of making copies.

Unless waived by DHS, a check covering copying and/or mailing costs must accompany the request. Copying costs, when applicable, are charged at a rate of **ten cents per page**. DHS will fulfill all copy requests as promptly as possible. Submit copy requests as follows:

Request for Copies - RFP 02-26025

DHS of Health Services
Office of Medi-Cal Procurement
Attn: Jesse Tanguileg
600 North 10th Street, Room 240C
P.O. Box 942732
Sacramento, CA 94234-7320

7. Verification of Proposer information

By submitting a proposal, Proposers agree to authorize DHS to:

- a. Verify any and all claims made by the Proposer including, but not limited to, verification of prior experience and the possession of other qualification requirements, and
- b. Check any reference identified by a Proposer or other resources known by the State to confirm the Proposer's business integrity and history of providing effective, efficient and timely services.

8. DHS rights

In addition to the rights discussed elsewhere in this RFP, DHS reserves the following rights.

a. RFP corrections:

- 1) DHS reserves the right to do any of the following up to the proposal submission deadline:
 - a) Modify any date or deadline appearing in this RFP or the RFP Time Schedule.
 - b) Issue clarification notices, addenda, alternate RFP instructions, forms, etc.
 - c) Waive any RFP requirement or instruction for all Proposers if DHS determines that the requirement or instruction was unnecessary, erroneous or unreasonable.
 - d) Allow Proposers to submit questions about any RFP change, correction or addenda. If DHS allows such questions, specific instructions will appear in the cover letter accompanying the document.

- 2) To reduce State costs of mailing procurement corrections to persons and entities that do not intend to bid, DHS will mail or fax written clarification notices and/or RFP addenda only to those persons and entities that submit a timely mandatory Letter of Intent.

If DHS decides, just before or on the proposal due date, to extend the submission deadline, DHS may choose to notify persons or entities who submitted a timely mandatory Letter of Intent of the extension by fax or by telephone. DHS will follow-up any verbal notice in writing by fax or by mail.

b. Collecting information from Proposers

- 1) If deemed necessary, DHS may request a Proposer to submit additional documentation during or after the proposal review and evaluation process. DHS will advise the Proposers orally, by fax or in writing of the documentation that is required and the time line for submitting the documentation. DHS will follow-up oral instructions in writing by fax or mail. Failure to submit the required documentation by the date and time indicated may cause DHS to deem a proposal non-responsive.
- 2) DHS, at its sole discretion, reserves the right to collect, by mail, fax or other method; the following omitted documentation and/or additional information.
 - a) Signed copies of any form submitted without a signature.
 - b) Data or documentation omitted from any submitted RFP attachment/form.
 - c) Information/material needed to clarify or confirm certifications or claims made by a Proposer.
 - d) Information/material needed to correct or remedy an immaterial defect in a proposal.
- 3) The collection of Proposer documentation may cause DHS to extend the date for posting the Notice of Intent to Award. If DHS changes the posting date, DHS will advise the Proposers, orally or in writing, of the alternate posting date.

c. Immaterial proposal defects

- 1) DHS may waive any immaterial defect in any proposal and allow the Proposer to remedy those defects. DHS reserves the right to use its best judgment to determine what constitutes an immaterial deviation or defect.
- 2) DHS' waiver of an immaterial defect in a proposal shall in no way modify this RFP or excuse a Proposer from full compliance with all bid requirements.

d. Correction of clerical or mathematical errors

- 1) DHS reserves the right, at its sole discretion, to overlook, correct or require a Proposer to remedy any obvious clerical or mathematical errors occurring in the narrative portion of a proposal, on a Cost Proposal form.
- 2) If the correction of an error results in an increase or decrease in the total price, DHS shall give the Proposer the option to accept the corrected price or withdraw their proposal.
- 3) Proposers may be required to initial corrections to costs and dollar figures on the Cost Proposal form if the correction results in an alteration of the annual costs or total cost offered.

- 4) If a mathematical error occurs in a total or extended price and a unit price is present, DHS will use the unit price to settle the discrepancy.

e. Right to remedy errors

DHS reserves the right to remedy errors caused by:

- 1) DHS office equipment malfunctions or negligence by agency staff,
- 2) Natural disasters (i.e., floods, fires, earthquakes, etc.).

f. No contract award or RFP cancellation

The issuance of this RFP does not constitute a commitment by DHS to award a contract. DHS reserves the right to reject all proposals and to cancel this RFP if it is in the best interests of DHS to do so.

g. Contract amendments after award

As provided in the Public Contract Code governing contracts awarded by competitive bid, the DHS reserves the right to amend the contract after DHS makes a contract award.

h. Proposed use of subcontractors and/or independent consultants

Specific subcontract relationships proposed in response to this RFP (i.e., identification of pre-identified subcontractors and independent consultants) shall not be changed during the procurement process or prior to contract execution.

i. Staffing changes after contract award

DHS reserves the right to approve or disapprove changes in key personnel that occur after DHS awards the contract.

9. Bidding Certification Clauses

a. Certificate of Independent Price Determination

1) The prospective Proposer certifies that:

- a) The prices in this bid or proposal have been arrived at independently without any consultation, communication or agreement with any other Proposer or competitor for the purpose of restricting competition relating to:
 - i) The prices or costs offered,
 - ii) The intention to submit a bid or proposal, and/or
 - iii) The methods or factors used to calculate the costs or prices offered.
- b) The prices in this bid or proposal have not been and will not be knowingly disclosed by the Proposer, directly or indirectly, to any other Proposer or competitor before the bid/cost proposal opening date or date of contract award posting, unless otherwise required by law.
- c) No attempt has been made or will be made by the Proposer to induce any other firm or entity to submit or not to submit a bid or proposal for the purpose of restricting competition.

- 2) Each signature appearing on the documents contained in this bid package/proposal is considered to be a certification by the signatory that the signatory:

Is the person in the Proposer's organization that is either responsible for determining the prices offered in this bid or proposal and/or is designated to complete the bid or proposal forms on behalf of the bidding firm, and the signatory has not participated and will not participate in any action contrary to all subsections of paragraph a.

b. Debarment and Suspension Certification

- 1) The Contractor certifies to the best of its knowledge and belief, that it and its principals:
 - a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
 - b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph a.2) of this certification; and
 - d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
 - e) It shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.
 - f) It will include a clause entitled "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- 2) If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the program funding this contract.

c. Lobbying Restrictions and Disclosure

(This certification only applies if the resulting contract total will equal or exceed \$100,000 and the contract will be federally funded in part or whole.)

- 1) The Contractor certifies, to the best of its knowledge and belief, that:
 - a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation,

renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - c) The Contractor shall require that the contents of this certification be collected from the recipients of all sub-awards, exceeding \$100,000, at all tiers (including subcontracts, sub-grants, etc.) and shall be maintained for three years following final payment/settlement of those agreements.
- 2) This certification is a material representation of fact upon which reliance was placed when this contract was made and/or entered into. The making of the above certification is a prerequisite for making or entering into this contract pursuant to 31 U.S.C. 1352 (45 CFR 93). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
 - 3) The Standard Form-LLL may be obtained from various federal agencies, federally sponsored World Wide Web Internet sites, DHS upon request, or may be copied from Exhibit D(F) entitled, Special Terms and Conditions.

O. Preference Programs

To confirm the identity of the highest scored responsible Proposer, DHS will adjust the total point score for applicable claimed preference(s). DHS will apply preference adjustments to eligible Proposers according to State regulations following verification of eligibility with the appropriate office of the DGS.

1. Small Business Enterprises (including Microbusinesses)

- a. Responsive and responsible California proposers claiming preference and verified as a certified small business (including microbusiness) in a relevant business type will be granted a preference of five percent (5%) of the total point score earned by the responsive and responsible proposer with the highest combined score, if the highest scored proposal is submitted by a proposer that is not certified as a California small business (including micro-businesses) in a relevant business type. The "service" category or business type will most likely apply to this procurement.
- b. To be certified as a "small business" (including a microbusinesses) and eligible for a bidding preference the business concern must:
 - 1) Have requested the status of small business and/or microbusiness and become certified by the appropriate office of the Department of General Services (DGS) [formerly referred to as Office of Small Business Certification and Resources] as a small business no later than 5:00 p.m. on the proposal submission deadline.
 - 2) Not be dominant in its field of operations,
 - 3) Be independently owned and operated,
 - 4) Have its principal office located in California,

- 5) Have its owners (or officers in the case of a corporation) domiciled in California,
- 6) Together with its affiliates be either:
 - a) A non-manufacturer with 100 or fewer employees and average annual gross receipts of ten million dollars or less over the previous three years, or
 - b) A manufacturer with 100 or fewer employees.
- c. Firms desiring small business and/or micro-business certification must obtain a Small Business Certification Application (STD 813) from the appropriate office of the Department of General Services [formerly Office of Small Business Certification and Resources (OSBCR)], fully complete the form, and return it to the Department of General Services as instructed. Bidding firms desiring small business certification assistance, may contact the Department of General Services by the following means:
 - 1) (916) 322-5060 (24 hour recording and mail requests), or
 - 2) (916) 375-4940 (800) 559-5529 (live operator), or
 - 3) Internet address: <http://www.dgs.ca.gov/osbcr>, or
 - 4) Fax: (916) 375-4950, or
 - 5) Email: osbcrhelp@dgs.ca.gov

2. Target Area Contract Preference Act (TACPA) and Enterprise Zone Act

- a. Government Code (GC) Section 4530 (TACPA) and GC Section 7070 (EZA) provide that California based companies shall be granted a 5% preference, not to exceed a maximum of \$50,000, whenever a State agency prepares a solicitation for **services** in excess of \$100,000. The preference(s) shall apply if the worksite is not fixed by the government agency and the company can demonstrate and certify, under the penalty of perjury, that at least 90 percent of the total labor hours required to perform the services contract shall be performed at an identified worksite located in a distressed area (TACPA) or enterprise zone (EZA).
- b. Additional work force preferences ranging from 1% to 4% can be earned by eligible proposers that agree to hire 5% to 20% of persons with a high risk of unemployment or those living in a targeted employment area or that are enterprise zone eligible to perform a specified percentage of the contract work.
- c. Proposers seeking TACPA and/or EZA preference must submit a completed STD 830 - Target Area Contract Preference Act Request (**Attachment 9**) or a STD 831 - Enterprise Zone Act (EZA) Preference Request (**Attachment 10**) with their proposal. The preference request form must include the following:
 - 1) All appropriate certifications. (TACPA and EZA)
 - 2) The proposing firm's name and the name of all suppliers and subcontractors that will work with the Proposer to fulfill the terms of the contract along with the addresses of each of the worksite(s) and estimated labor hours. (TACPA and EZA)
 - 3) County census tract number and block group number. (TACPA)
 - 4) Enterprise zone name(s). (EZA)
 - 5) Proposer's original signature. (TACPA and EZA)
- d. TACPA and/or EZA preference cannot be claimed or granted if:
 - 1) The lowest responsible proposed cost does not equal or exceed \$100,000 for the entire term, or

- 2) The work site or any part thereof is fixed or preset by the State, or
 - 3) The services involve construction or a public works project.
- e. A Proposer who has claimed a TACPA and/or EZA preference and is awarded the contract will be obligated to perform in accordance with the preference(s) requested, provided the preference was granted in obtaining the contract. Firms receiving preference must:
- 1) Report their labor hours to the State, and
 - 2) Reference the State contract on which the award is based for the specific reporting requirements.
- f. Proposers wishing to learn more about TACPA and/or EZA requirements, designated work site(s) or enterprise zones in California should contact the appropriate office of the DGS (formerly known as OSBCR) at (916) 375-4940. DGS will attempt to determine TACPA and/or EZA eligibility within two working days.

3. Combined preferences

The maximum preference or cost reduction that any Proposer may be granted for small business, TACPA and EZA preference combined is 15% or \$100,000, whichever is less.

Any firm that claims and is granted EZA and/or TACPA preference cannot displace an award to a certified small business (including micro-business).

P. Contract Terms and Conditions

All Exhibits contain contract terms and conditions.

The winning Proposer must enter a written contract that may contain portions of the Proposer's proposal (i.e., Cost Proposal Form, Work Plan), Scope of Work, standard contract provisions, the contract form, and the exhibits identified below. Other exhibits, not identified herein, may also appear in the resulting contract.

The exhibits identified in this section contain contract terms that require strict adherence to various laws and contracting policies. A Proposer's unwillingness or inability to agree to the proposed terms and conditions shown below or contained in any exhibit identified in this RFP may cause DHS to deem a Proposer non-responsible and ineligible for an award. DHS reserves the right to use the latest version of any form or exhibit listed below in the resulting agreement if a newer version is available.

The exhibits identified below illustrate many of the terms and conditions that may appear in the final agreement between DHS and the winning Proposer. Other terms and conditions, not specified in the exhibits identified below, may also appear in the resulting agreement. Some terms and conditions are conditional and may only appear in an agreement if certain conditions exist (i.e., contract total exceeds a certain amount, federal funding is used, etc.).

In general, DHS will not accept alterations to the General Terms and Conditions (GTC), DHS' Special Terms and Conditions, the Scope of Work, other exhibit terms/conditions, or alternate language that is proposed or submitted by a prospective contractor. DHS may consider a proposal containing such provisions "a counter proposal" and DHS may reject such a proposal as non-responsible.

1. Sample contract forms/exhibits

Exhibit Label	Exhibit Name
a. Exhibit A1	Standard Agreement
b. Exhibit A	Scope of Work (9 pages)
c. Exhibit B	Payment Provisions (2 pages)
d. Exhibit C – View on-line	General Terms and Conditions (GTC 201). View or download this exhibit at this Internet site www.dgs.ca.gov/contracts .
e. Exhibit D (F)	Special Terms and Conditions (26 pages).
f. Exhibit E	Additional Provisions (23 pages)
g. Exhibit F	Contractor's Release (1 page)
h. Exhibit G	Attestation of Understanding/ Agreement Form (2 pages)
i. Exhibit H	Glossary of Terms (9 pages)

2. Unanticipated tasks/Special Projects

In the event unanticipated or additional work must be performed that is not identified in this RFP, but in DHS' opinion is necessary to successfully accomplish the Scope of Work, including but limited to Special Projects, DHS will initiate a contract amendment to add the additional function(s). All terms and conditions appearing in the final contract will apply to any additional work or Special Project.

3. Resolution of language conflicts (RFP vs. final agreement)

If an inconsistency or conflict arises between the terms and conditions appearing in the final agreement and the proposed terms and conditions appearing in this RFP, any inconsistency or conflict will be resolved by giving precedence to the final agreement.